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 Counterclaim Defendant DX/DY
 Voice Processing and Counterclaim
 Defendant Jeffrey Smith

UNITED STATES DISTRICT COURT
 EASTERN DISTRICT OF WASHINGTON
 AT SPOKANE

DX/DY VOICE PROCESSING, INC., a
 Arizona corporation,

Plaintiff,

v.

TELIGENCE CORPORATION, a Canadian
 corporation; TELIGENCE (CANADA) LTD,
 a Canadian corporation; TELIGENCE (US),
 INC., a Nevada corporation; TELIGENCE
 HOLDINGS INC., a Nevada corporation;
 ROBERT J. MADIGAN, a citizen of Canada;
 JOHN MADIGAN, a citizen of Canada;
 FIRST MEDIA GROUP, INC., a Canadian
 corporation; UTEL NETWORKS, INC., a
 Nevada corporation; UTEL NETWORKS
 (CANADA) LTD., a British Columbia
 corporation; and JOHN DOES 1-100,

Defendants.

No. CV-07-059-EFS

**DX/DY VOICE PROCESSING,
 INC.'S AND JEFFREY
 SMITH'S ANSWER TO THE
 MADIGANS'
 COUNTERCLAIMS AS
 ALLEGED IN THEIR
 ANSWER TO THE SECOND
 AMENDED COMPLAINT**

DX/DY VOICE PROCESSING, INC.'S AND JEFFREY SMITH'S ANSWER
 TO THE MADIGANS' COUNTERCLAIMS AS ALLEGED IN THEIR
 ANSWER TO THE SECOND AMENDED COMPLAINT - 1

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1)
 2 TELIGENCE (CANADA) LTD., a British)
 3 Columbia corporation, and TELIGENCE)
 4 (US), INC., a Nevada corporation.)

5)
 6 Counterclaim Plaintiffs,)

7)
 8 v.)

9)
 10 DX/DY VOICE PROCESSING, INC., an)
 11 Arizona corporation, and JEFFREY SMITH,)
 12 an individual,)

13)
 14 Counterclaim Defendants.)

15
 16 Counterclaim Defendants DX/DY VOICE PROCESSING, INC., an Arizona
 17 corporation, and JEFFREY SMITH, an individual, (collectively, "Counterclaim
 18 Defendants") answer The Madigans' Counterclaims as alleged in their Answer to
 19 the Second Amended Complaint as follows:

20 JURISDICTION AND VENUE

21 1. Counterclaim Defendants admit the allegations of paragraph 45 of the
 22 Madigans' Counterclaims.

23 2. Counterclaim Defendants admit the allegations of paragraph 46 of the
 24 Madigans' Counterclaims.

25 3. Counterclaim Defendants admit that DX/DY is incorporated in the
 26 State of Arizona, with a principal place of business in Spokane, Washington.
 Counterclaim Defendants deny the remaining allegations contained in paragraph
 47 of the Madigans' Counterclaims.

4. Counterclaim Defendants admit the allegations of paragraph 48 of the
 Madigans' Counterclaims.

DX/DY VOICE PROCESSING, INC.'S AND JEFFREY SMITH'S ANSWER
 TO THE MADIGANS' COUNTERCLAIMS AS ALLEGED IN THEIR
 ANSWER TO THE SECOND AMENDED COMPLAINT - 2

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1 5. Counterclaim Defendants admit the allegations of paragraph 49 of the
2 Madigans' Counterclaims.

3 6. Counterclaim Defendants admit the allegations of paragraph 50 of the
4 Madigans' Counterclaims.

5 7. Counterclaim Defendants admit the allegations of paragraph 51 of the
6 Madigans' Counterclaims.

7 **FIRST COUNTERCLAIM (AGAINST DX/DY AND JEFFREY SMITH)**
8 **(Declaratory Judgment of Non-Infringement)**

9 8. Counterclaim Defendants repeat and reallege their admissions and
10 denials contained in the preceding paragraphs.

11 9. Counterclaim Defendants deny the allegations of paragraph 53 of the
12 Madigans' Counterclaims.

13 **SECOND COUNTERCLAIM (AGAINST DX/DY AND JEFFREY SMITH)**
14 **(Declaratory Judgment of Invalidity)**

15 10. Counterclaim Defendants repeat and reallege their admissions and
16 denials contained in the preceding paragraphs.

17 11. Counterclaim Defendants deny the allegations of paragraph 55 of the
18 Madigans' Counterclaims.

19 **THIRD COUNTERCLAIM (AGAINST DX/DY AND JEFFREY SMITH)**
20 **(Declaratory Judgment of Unenforceability)**

21 12. Counterclaim Defendants repeat and reallege their admissions and
22 denials contained in the preceding paragraphs.

23 13. Counterclaim Defendants deny the allegations of paragraph 57 of the
24 Madigans' Counterclaims.

25 **FOURTH COUNTERCLAIM (AGAINST DX/DY AND JEFFREY SMITH)**
26 **(Declaratory Judgment of Exceptional Case)**

 14. Counterclaim Defendants repeat and reallege their admissions and

1 denials contained in the preceding paragraphs.

2 15. Counterclaim Defendants deny the allegations of paragraph 59 of the
3 Madigans' Counterclaims.

4 **FIFTH COUNTERCLAIM (AGAINST DX/DY AND JEFFREY SMITH)**
5 **(Correction of Inventorship Under 35 U.S.C. § 256)**

6 16. Counterclaim Defendants repeat and reallege their admissions and
7 denials contained in the preceding paragraphs.

8 17. Counterclaim Defendants deny the allegations of paragraph 61 of the
9 Madigans' Counterclaims.

10 **PRAYER FOR RELIEF**

11 WHEREFORE, Counterclaim Defendants pray for judgment as to the
12 Counterclaims as follows:

- 13 1. Dismissing The Madigans' Counterclaims with prejudice.
14 2. Their reasonable attorneys' fees and costs incurred in this action, as
15 allowed by law.
16 3. Such further and other relief as the Court deems just and equitable.

17 DATED this 4th day of December, 2007.

18 FOSTER PEPPER PLLC

19
20 s/ J. Christopher Lynch
21 John R. Nelson, WSBA #. 16393
22 J. Christopher Lynch, WSBA #17462
23 Attorneys for Plaintiff and
24 Counterclaim Defendants DX/DY
25 Voice Processing, Inc. and Jeffrey
26 Smith

CERTIFICATE OF SERVICE

I hereby certify that on the 4th day of December, 2007, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF System which will send notification of such filing to the following:

James W Anable: jwanable@townsend.com

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